



Arkansas Economic Update

March 14, 2016

Summary

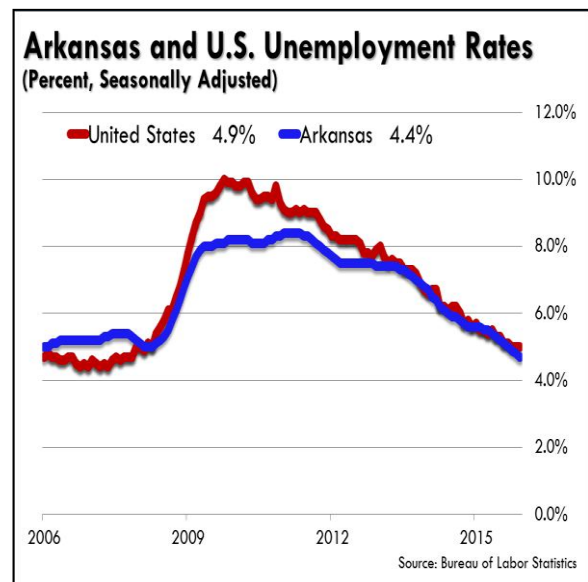
Nonfarm payroll employment in Arkansas declined by 5,100 jobs and the unemployment rate fell to 4.4 percent in January according to data released by the Bureau of Labor Statistics (BLS).

Arkansas Unemployment Rate

During January, the unemployment rate in Arkansas declined by 0.3 percentage point to 4.4 percent. The number of people counted as unemployed fell by 3,996 in January to 59,508, while the labor force grew by 6,146 to 1,343,129. Among the 50 states and the District of Columbia, 17 posted lower unemployment rates for the month than Arkansas. A year earlier, the unemployment rate in Arkansas stood at 5.6 percent.

The 10 year peak for the unemployment rate in Arkansas was 8.4 percent in May 2011. The series high for the unemployment rate in Arkansas occurred in February 1983 when the unemployment rate reached 10.3 percent. The 10 year low for the unemployment rate in Arkansas was 4.4 percent in January 2016. The series low for the unemployment rate in Arkansas occurred in September 2000 when the unemployment rate reached 4.2 percent. BLS began publishing the state unemployment rate series in 1976.

The national unemployment rate was unchanged at 4.9 percent in February. February's unemployment rate was 0.6 percentage point lower than a year earlier. The 10-year high for the national unemployment rate was 10.0 percent in October 2009. The 10-year low was 4.4 percent in May 2007.



Arkansas Payroll Employment

Arkansas nonfarm payrolls declined by 5,100 jobs, or 0.42 percent, on a seasonally adjusted basis during January. In the prior month, nonfarm payrolls increased by 6,800. Over the past 12 months nonfarm payrolls in Arkansas increased by 23,000, or 1.92 percent. Arkansas nonfarm payroll employment has increased in 10 of the past 12 months.

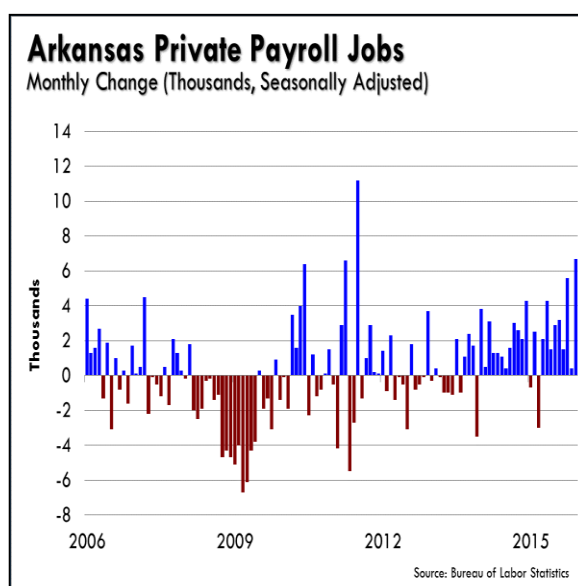
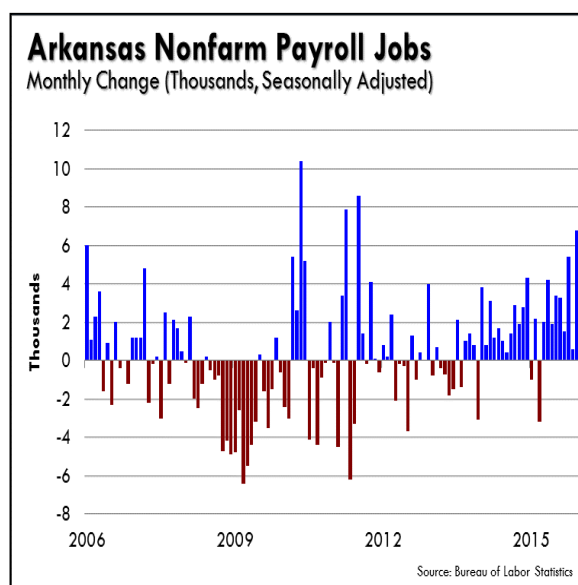
Nationally, nonfarm payrolls increased by 242,000 jobs in February, or 0.17 percent. Over the 12-month period ending February 2016 nonfarm payrolls grew by 2,672,000 jobs, or 1.9 percent. Arkansas ranks 17th among the 50 states and the District of Columbia for percentage gain in nonfarm payroll employment over the past 12 months.

During January, Arkansas private sector payrolls declined by 5,000, or 0.49 percent. Private sector payrolls increased by 6,700 jobs in the prior month. Over the past 12 months, private sector payrolls in Arkansas increased by 22,700, or 2.30 percent. Arkansas private sector payroll employment has increased in 10 of the past 12 months.

Nationally private-sector payroll jobs increased by 230,000 jobs in 1.9, or 0.19 percent. Over the past 12 months, the nation's economy has added 2,597,000 jobs in the private sector, an increase of 2.18 percent.

Arkansas ranks 17th among the 50 states and the District of Columbia for percentage gain in private sector payroll employment over the past 12 months.

During January, total government payroll employment in Arkansas declined by 100, or 0.05 percent. Federal government payroll employment declined by 100, or 0.49 percent. State government payroll employment was unchanged, while local government payroll employment was unchanged.



Over the past year, total government payroll employment increased by 300, or 0.14 percent. State government payroll employment increased by 700, or 0.90 percent. Local government payroll employment declined by 400, or 0.35 percent.

The best performing sectors on a seasonally adjusted basis during January were Financial Activities (+500) and Manufacturing (+200). The poorest performing sectors during the month were Trade, Transportation & Utilities (-1,300) and Construction (-1,100).

The best performing sectors during the last twelve months were Trade, Transportation & Utilities (+7,100) and Leisure & Hospitality (+6,100). The poorest performing sectors for the year were Mining & Logging (-1,700) and Manufacturing (-1,200).

Other Arkansas Labor Force Statistics

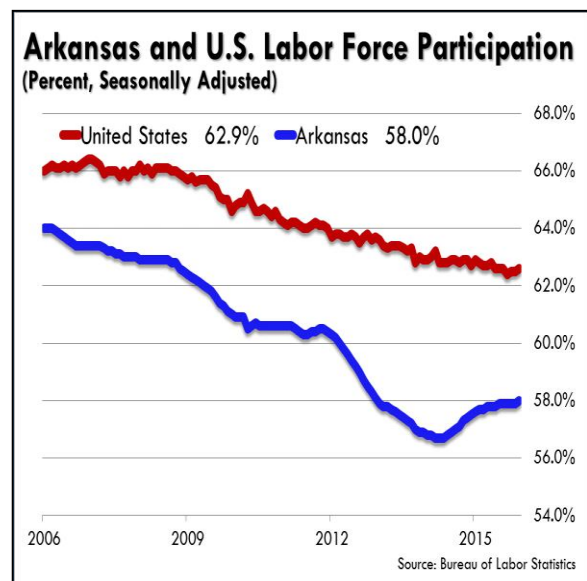
The labor force participation rate in Arkansas rose to 58.0 percent in January from 57.9 percent the prior month. Among the 50 states and the District of Columbia, 45 have a higher labor force participation rate than Arkansas. The labor force participation rate in Arkansas is unchanged from a year earlier. The labor force participation rate is the percentage of the civilian noninstitutionalized population age 16 and older who are employed or actively looking for work.

The 10 year high for the labor force participation rate in Arkansas was 64.0 percent in March 2006. The series high for the labor force participation rate in Arkansas occurred in January 1995 when the labor force participation rate hit 65.1 percent. The 10 year low for the labor force participation rate was 56.7 percent in May 2014. This also represents the series low for the labor force participation rate in Arkansas.

The national labor force participation rate rose by 0.2 percentage point to 62.9 percent in February, but remains near its 38-year low of 62.4 percent.

The employment-to-population ratio, or the percentage of the Arkansas civilian noninstitutionalized population 16 years and older counted as employed, rose to 55.6 percent in January from 55.2 percent the prior month. Among the 50 states and the District of Columbia, 45 have higher employment-to-population ratios than Arkansas. The employment-to-population ratio in Arkansas is 1.2 percentage points higher than a year earlier.

The 10 year high for the employment-to-population ratio in Arkansas was 60.8 percent in February 2006. The series high for the employment-to-population ratio in Arkansas



occurred in January 1995 when the employment-to-population ratio hit 62.0 percent. The 10 year low for the employment-to-population ratio was 53.0 percent in January 2014. The series low for the employment-to-population ratio occurred in March 2014 when the employment-to-population ratio hit 53.0 percent.

The national employment-to-population ratio rose by 0.2 percentage point to 59.8 percent in February. That rate was 0.5 percentage point higher than a year earlier. The all-time high for the employment-to-population ratio was 64.7 in April 2000. The 10-year high for the employment-to-population ratio was 63.4 percent in December 2006. The recent low occurred in October 2013 when the employment-to-population ratio dipped to 58.2 percent. The last time the employment-to-population ratio posted a reading lower than 58.2 percent was July 1983.

State employment and unemployment data for February is scheduled for release on March 25, 2016. The national employment situation report for February was released on Friday, March 4, 2016.

